

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

April 24, 2002

IN RE:

APPLICATION FOR APPROVAL OF THE INDIRECT
TRANSFER OF CONTROL OF ATX LICENSING, INC.

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DOCKET NO.
02-00286

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority" or "TRA") at the regularly scheduled Authority Conference held on April 16, 2002 for consideration of the *Application* (the "*Application*") of ATX Licensing, Inc. d/b/a ATX Telecommunications ("ATX"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of the authority to provide utility services currently held by ATX.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

In its *Application*, which is contained in a letter to the Authority dated March 15, 2002,¹ ATX requests Authority approval of an indirect transfer of control of ATX from CoreComm Limited ("CoreComm Ltd."), which is the ultimate parent of ATX, to CoreComm Holdco, a pre-existing wholly-owned subsidiary of CoreComm Ltd. ATX was granted a Certificate of Authority to provide operator services and/or resell telecommunications services in Tennessee by Order dated March 14, 2000 in Docket No. 00-00089. According to the *Application*, the transaction which resulted in this indirect transfer of control of ATX has taken place as part of a debt-restructuring transaction involving CoreComm Ltd., and is part of a broader reorganization to facilitate certain financial, business, and administrative objectives. This reorganization is a recapitalization that primarily involves the conversion of debt and preferred stock of CoreComm Ltd. into common stock of CoreComm Holdco.

Public Interest Considerations

The *Application* states that the indirect transfer of control will not involve a change in the management or boards of directors of any of the affected CoreComm entities. Further, the services provided to the customers of ATX and CoreComm Ltd. will not change as a result of the recapitalization. According to the *Application*, ATX will continue to provide services in Tennessee under the same name, tariffs, and operating authorization. The *Application* states that

¹ The March 15, 2002 letter is a notification to the Authority of the proposed transaction. Because, as explained herein, this transaction involves a transfer of the authority to provide utility services held by ATX, approval by the Authority is required, and the Authority treated ATX's letter of notification as its Application for such approval.

ATX will continue to promote competition among telecommunications service providers in Tennessee and ensure the highest quality of service to Tennessee customers.

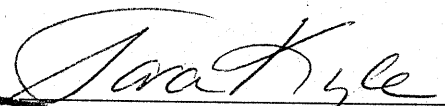
Findings

The Directors of the Authority considered this matter at the April 16, 2002 Authority Conference. Based upon careful consideration of the *Application* and of the entire record of this matter, the Authority finds and concludes as follows:

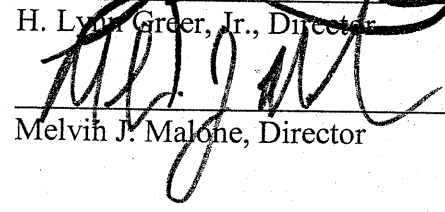
1. The Authority has jurisdiction over the subject matter of this *Application* pursuant to Tenn. Code Ann. § 65-4-113;
2. ATX Licensing, Inc. d/b/a ATX Telecommunications has been granted authority to provide telecommunications services in Tennessee;
3. A reorganization has taken place involving the transfer of the ultimate control of ATX Licensing, Inc. from CoreComm Limited to CoreComm Holdco, resulting in a transfer of the authority granted ATX Licensing, Inc. to provide utility services; and
4. The transfer of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:


The *Application* of ATX Licensing, Inc. d/b/a ATX Telecommunications for approval of the transfer of authority described herein is approved.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary